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DEPARTMENT OF COMMERCE

International Trade Administration

A-580-867

Large Power Transformers from the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review; 2015-2016

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on large power transformers (LPTs) from the Republic of Korea (Korea). The period of review is August 1, 2015, through July 31, 2016. The review covers five producers/exporters of the subject merchandise. We preliminarily determine that Hyosung Corporation (Hyosung) and Hyundai Heavy Industries Co., Ltd. (Hyundai), the two companies selected for individual examination, sold subject merchandise in the United States at prices below normal value during the period of review. Interested parties are invited to comment on these preliminary results.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Moses Song or John Drury, AD/CVD

Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-5041 or (202) 482-0195, respectively.

SUPPLEMENTARY INFORMATION:

Background

The Department initiated this review on October 14, 2016.¹ We selected two mandatory respondents in this review, Hyosung and Hyundai. For a more detailed description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum, dated concurrently with these results and hereby adopted by this notice.²

The Preliminary Decision Memorandum is a public document and is on file electronically *via* Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). Access to ACCESS is available to registered users at <http://access.trade.gov> and is available to all parties in the Central Records Unit, Room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the Internet at <http://enforcement.trade.gov/frn/index.html>. A list of topics discussed in the Preliminary Decision Memorandum is attached as an Appendix to this notice. The signed Preliminary Decision Memorandum and the electronic versions of the Preliminary Decision Memorandum are identical in content.

¹ *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 81 FR 71061 (October 14, 2016) (*Initiation Notice*); *see also Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 81 FR 78778, 78781 (November 9, 2016) (*Amended Initiation Notice*). We issued an amended *Federal Register* initiation notice on November 9, 2016, to reflect one company name that was missing from the October 14, 2016 *Initiation Notice*.

² *See* Memorandum to Gary Taverman, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance, from James Maeder, Senior Director, performing the duties of Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, entitled "Decision Memorandum for Preliminary Results of Antidumping Duty Administrative Review: Large Power Transformers from the Republic of Korea; 2015-2016" (Preliminary Decision Memorandum), dated concurrently with this notice.

Scope of the Order

The scope of this order covers large liquid dielectric power transformers having a top power handling capacity greater than or equal to 60,000 kilovolt amperes (60 megavolt amperes), whether assembled or unassembled, complete or incomplete. The merchandise subject to the order is currently classified in the Harmonized Tariff Schedule of the United States at subheadings 8504.23.0040, 8504.23.0080 and 8504.90.9540. This tariff classification is provided for convenience and Customs purposes; however, the written description of the scope of the order is dispositive.³

Methodology

The Department is conducting this review in accordance with section 751(a)(2) of the Tariff Act of 1930, as amended (the Act). For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.

Facts Available

Pursuant to section 776(a) of the Act, the Department is preliminarily relying upon facts otherwise available to assign an estimated weighted-average dumping margin to the mandatory respondents in this review because both respondents withheld necessary information that was requested by the Department, thereby significantly impeding the conduct of the review. Further, the Department preliminarily determines that these mandatory respondents failed to cooperate by not acting to the best of their abilities to comply with requests for information and, thus, the Department is applying adverse facts available (AFA) to the respondents, in accordance with section 776(b) of the Act. For a full description of the methodology underlying our conclusions regarding the application of AFA, *see* the Preliminary Decision Memorandum.

³ The full text of the scope of the order is contained in Preliminary Decision Memorandum.

Rate for Non-Selected Companies

In accordance with the U.S. Court of Appeals for the Federal Circuit's decision in *Albemarle Corp. v. United States*,⁴ we are applying to the non-selected companies the rate preliminarily applied to Hyosung and Hyundai in this administrative review.⁵ This is the only rate determined in this review for individual respondents and, thus, should be applied to the three non-selected companies under section 735(c)(5)(B) of the Act. For a detailed discussion, see the Preliminary Decision Memorandum.

Preliminary Results of Review

We preliminarily determine that, for the period August 1, 2015, through July 31, 2016, the following weighted-average dumping margins exist:⁶

⁴ See *Albemarle Corp. v. United States*, 821 F.3d 1345 (Fed. Cir. 2016).

⁵ See, e.g., *Certain Small Diameter Carbon and Alloy Seamless Standard, Line, and Pressure Pipe (Under 4 1/2 Inches) from Japan: Preliminary Results of Antidumping Duty Administrative Review and Preliminary Determination of No Shipments; 2014-2015*, 81 FR 45124, 45124 (July 12, 2016), unchanged in *Certain Small Diameter Carbon and Alloy Seamless Standard, Line, and Pressure Pipe (Under 4 1/2 Inches) from Japan: Final Results of Antidumping Duty Administrative Review and Final Determination of No Shipments; 2014-2015*, 81 FR 80640, 80641 (November 16, 2016).

⁶ As AFA, we preliminarily assign Hyosung and Hyundai a dumping margin of 60.81 percent, an AFA rate used in the previous review. See *Large Power Transformers from the Republic of Korea: Final Results of Antidumping Duty Administrative Review; 2014-2015*, 82 FR 13432 (March 13, 2017). This rate achieves the purpose of applying an adverse inference, i.e., it is sufficiently adverse to ensure that the uncooperative party does not obtain a more favorable result by failing to cooperate than if it had fully cooperated. According to 776(c)(2) of the Act, this rate does not require corroboration.

Producer/Exporter	Weighted-Average Dumping Margin (percent)
Hyosung Corporation	60.81
Hyundai Heavy Industries Co., Ltd.	60.81
Iljin Electric Co., Ltd.	60.81
Iljin	60.81
LSIS Co., Ltd.	60.81

Disclosure and Public Comment

Normally, the Department discloses the calculations performed in connection with preliminary results to interested parties within five days after the date of publication of this notice.⁷ Because the Department preliminarily applied total AFA to each of the mandatory respondents in this review, in accordance with section 776 of the Act, there are no calculations to disclose.

Interested parties may submit case briefs no later than 30 days after the date of publication of this notice.⁸ Rebuttal briefs, the content of which is limited to the issues raised in the case briefs, must be filed within five days from the deadline date for the submission of case briefs.⁹ Parties who submit case or rebuttal briefs in this proceeding are requested to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.¹⁰ Case and rebuttal briefs should be filed using ACCESS.¹¹ Case and rebuttal

⁷ See 19 CFR 351.224(b).

⁸ See 19 CFR 351.309(c)(1)(ii).

⁹ See 19 CFR 351.309(d)(1) and (2).

¹⁰ See 19 CFR 351.309(c)(2).

¹¹ See generally 19 CFR 351.303.

briefs must be served on interested parties.¹² Executive summaries should be limited to five pages total, including footnotes.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance within 30 days of the date of publication of this notice. Requests should contain: (1) the party's name, address and telephone number; (2) the number of participants; and (3) a list of issues parties intend to discuss. Issues raised in the hearing will be limited to those raised in the respective case and rebuttal briefs. If a request for a hearing is made, the Department intends to hold the hearing at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, at a date and time to be determined.¹³ Parties should confirm the date, time, and location of the hearing two days before the scheduled date.

The Department intends to publish the final results of this administrative review, including the results of its analysis of issues raised in any case or rebuttal brief, no later than 120 days after publication of these preliminary results, unless extended.¹⁴

Assessment Rates

Upon completion of this administrative review, the Department shall determine, and Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries. If the preliminary results are unchanged for the final results, we will instruct CBP to apply an *ad valorem* assessment rate of 60.81 percent to all entries of subject merchandise during the period of review which were produced and/or exported by Hyosung, Hyundai, and the aforementioned

¹² See 19 CFR 351.303(f).

¹³ See 19 CFR 351.310(d).

¹⁴ See section 751(a)(3)(A) of the Act; 19 CFR 351.213(h).

companies which were not selected for individual examination.¹⁵ We intend to issue liquidation instructions to CBP 15 days after publication of the final results of this review.

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for Hyosung and Hyundai and other companies listed above will be equal to the weighted-average dumping margin established in the final results of this administrative review; (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recently completed segment of this proceeding in which they were reviewed; (3) if the exporter is not a firm covered in this review, a prior review, or in the investigation but the producer is, the cash deposit rate will be the rate established for the most recently completed segment of this proceeding for the producer of the merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be the all-others rate of 22.00 percent, the rate established in the investigation of this proceeding.¹⁶ These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice also serves as a reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to

¹⁵ See Preliminary Decision Memorandum at “Rate for Non-Selected Companies” (for an explanation of how we preliminarily determined the rate for non-selected companies).

¹⁶ See *Large Power Transformers from the Republic of Korea: Antidumping Duty Order*, 77 FR 53177 (August 31, 2012).

liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Department's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Notification to Interested Parties

We are issuing and publishing this notice in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Gary Taverman
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance

Dated: August 31, 2017

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

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- [FR Doc. 2017-18998 Filed: 9/6/2017 8:45 am; Publication Date: 9/7/2017]